



**CITY OF LODI
COUNCIL COMMUNICATION**

AGENDA TITLE: Authorize the City Manager to execute an agreement for property tax allocation for the Galantine Annexation at 5952 E. Pine Street

MEETING DATE: April 21, 2004

PREPARED BY: Community Development Director

RECOMMENDED ACTION: Authorize the City Manager to execute an agreement for property tax allocation for the Galantine Annexation at 5952 E. Pine Street.

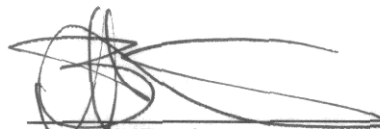
BACKGROUND INFORMATION: The Master Property Tax Sharing Agreement between the City of Lodi and San Joaquin County expired in June 2003. The Board of Supervisor's authorized the extension of the agreement to September 2003. Since that time, no standard agreement has been in place. Negotiations on a new agreement have been sporadic.

At this time, the City has one annexation request to make with LAFCO. That annexation is the 10 acre proposal from Richard Galantine at 5952 East Pine Street. Based on the rather small area involved and what appears to be an unknown time period for the Master Agreement, staff has requested that the County extend the terms of the previous agreement in order to move the pending annexation along.

County staff has concurred and the agreement before the City Council provides the same split of property tax revenue 90% County and 10% City.

Pursuant to Council Member Land's request, we are in the process of meeting with the Mokelumne Fire District regarding the Galantine annexation.

FUNDING: N/A


Konradt Bartlam
Community Development Director

KB/lw

Attachment

APPROVED: 
H. Dixon Flynn, City Manager

County of San Joaquin & City of Lodi
Agreement For Property Tax Allocation Upon Annexation
_____ Annexation

A-04- _____

AGREEMENT entered into this ____ day of ____, 2004 by and between the City of Lodi, hereinafter referred to as "CITY" and the County of San Joaquin, hereinafter referred to as "COUNTY";

WITNESSETH:

WHEREAS, Article 13A, Section 1 of the Constitution of the State of California limits ad valorem taxes on real property to one percent (1%) of full cash value; and

WHEREAS, Chapter 6 of Part 0.5 of Division 1 of the Revenue and Taxation Code (Sections 95 et. seq.) provides for the allocation of property tax revenues; and

WHEREAS, CITY and COUNTY must have an agreement for the allocation of property tax revenues upon annexation.

NOW, THEREFORE, in consideration of the premises and the following terms and conditions, the parties hereto agree as follows:

1. DEFINITIONS.

The words and phrases in this Agreement shall have meanings as set forth below:

- A. "Annexation Property Tax Base" shall mean the Base Year sum of the ad valorem tax allocated to Detaching Special Districts, as defined herein, and to COUNTY within the area being annexed.
- B. "Detaching Special Districts" shall mean those political subdivisions organized pursuant to the laws of the State of California whose functions within the area being annexed are terminated and/or assumed by CITY.
- C. "Detachment" shall mean the removal from a special district of any portion of the territory of that special district.
- D. "Base Year" shall mean the assessed valuation applicable to the property and improvements within the area being annexed at the time the application for annexation is submitted to the Local Agency Formation Commission (LAFCO).
- E. "Incremental Growth" shall mean the total increase or decrease in the property tax base over the base year within the annexed area.

2. PROPERTY TAX ALLOCATION.

CITY and COUNTY shall share in the Annexation Property Tax Base and all Incremental Growth thereof pursuant to the ratio of 10% CITY and 90% COUNTY.

3. APPLICATION OF AGREEMENT.

- A. Effective date. The effective date of property tax allocation for the annexation shall be determined in accordance with Government Code Section 54902 and any succeeding statutory provisions. Currently, statements of boundary change must be filed with the State Board of Equalization on or before December 1 of the year immediately preceding the year in which property taxes are to be shared.

B. Future property taxes. The provisions of this Agreement would also apply to any property exempt from ad valorem taxes which subsequently became taxable within the area to be annexed.

4. JOINT REVIEW.

CITY and COUNTY may jointly review COUNTY property tax records from time to time or as requested by CITY to verify accurate distribution under the Agreement.

5. GOVERNING LAW AND ATTORNEYS' FEES.

This Agreement shall be construed and enforced in accordance with the laws of the State of California. Should any legal action be brought by either party because of any default under this Agreement or to enforce any provision of this Agreement, or to obtain a declaration of rights hereunder, the prevailing party shall be entitled to reasonable attorneys' fees, court costs and such other costs as may be fixed by the Court. The standard of review for determining whether a default has occurred under this Agreement shall be the standard generally applicable to contractual obligations in California.

6. NOTICES.

Any notice of communication required hereunder among CITY and COUNTY must be in writing, and may be given either personally, by telefacsimile (with original forwarded by regular U.S. Mail) or by Federal Express or other similar courier promising overnight delivery. If personally delivered, a notice or communication shall be deemed to have been given and received when delivered to the party to whom it is addressed. If given by facsimile transmission, a notice or communication shall be deemed to have been given and received upon actual physical receipt of the entire document by the receiving party's facsimile machine. Notices transmitted by facsimile after 5:00 p.m. on a normal business day or on a Saturday, Sunday, or holiday shall be deemed to have been given and received on the next normal business day. If given by Federal Express or similar courier, a notice or communication shall be deemed to have been given and received on the date delivered as shown on a receipt issued by the courier. Such notices or communications shall be given to the parties at their addresses set forth below:

To CITY (City Manager):

With Copies To (City Attorney):

Telefacsimile: (209) ____-____

Telefacsimile: (209) ____-____

To COUNTY (County Administrator):

With Copies To (County Counsel):

Manuel Lopez
Courthouse, Room 707
222 E. Weber Avenue
Stockton, California 95202
Telefacsimile: (209) 468-2875

Terrence R. Dermody
Courthouse, Room 711
222 E. Weber Avenue
Stockton, California 95202
Telefacsimile: (209) 468-2875

Any party hereto may at any time, by giving ten (10) days written notice to the other parties, designate any other address or facsimile number in substitution of the address or facsimile number to which such notice or communication shall be given.

7. SEVERABILITY.

If any provision of this Agreement is held invalid, void, or unenforceable but the remainder of this Agreement can be enforced without failure of material consideration to any party, then this Agreement shall not be affected and it shall remain in full force and effect, unless amended by mutual consent of the parties. Notwithstanding this severability clause, Section 2. Property Tax Allocation, is material and substantial and the failure of said subsection is the failure of material consideration, causing the agreement to be void from the date that the subsection is held invalid.

8. FURTHER ASSURANCES.

Each party shall execute and deliver to the other party or parties all such other further instruments and documents and take all such further actions as may be reasonably necessary to carry out this Agreement and to provide and secure to the other party or parties the full and complete enjoyment of its rights and privileges hereunder.

9. CONSTRUCTION.

All parties have been represented by counsel in the preparation of this Agreement and no presumption or rule that ambiguity shall be construed against a drafting party shall apply to interpretation or enforcement hereof. Captions on sections and subsections are provided for convenience only and shall not be deemed to limit, amend, or affect the meaning of the provision to which they pertain.

10. OTHER MISCELLANEOUS TERMS.

The singular includes the plural; the masculine gender includes the feminine, "shall" is mandatory; "may" is permissive.

11. TIME.

Time is of the essence of each and every provision hereof.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement.

RECOMMENDED FOR APPROVAL:

H. Dixon Flynn
City Manager

Manuel Lopez
County Administrator

CITY OF LODI


COUNTY OF SAN JOAQUIN

Larry Hansen, Mayor

Leroy Ornellas, Chairman
Board of Supervisors

Approved as to Form

Approved as to Form
Terrence R. Dermody
County Counsel


D. Stephen Schwabauer
Interim City Attorney

By David Wooten,
Assistant County Counsel

ATTEST: Susan J. Blackston
City Clerk

ATTEST: Lois M. Sahyoun
Clerk of the Board of Supervisors